

SERFF Tracking Number: AMMH-127293926 State: Arkansas
Filing Company: American Modern Home Insurance Company State Tracking Number:
Company Tracking Number: 20110214-09
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home Program
Project Name/Number: /20110214-09

Filing at a Glance

Company: American Modern Home Insurance Company

Product Name: AMH Manufactured Home Program SERFF Tr Num: AMMH-127293926 State: Arkansas

TOI: 04.0 Homeowners

SERFF Status: Closed-Filed

State Tr Num:

Sub-TOI: 04.0002 Mobile Homeowners

Co Tr Num: 20110214-09

State Status: Suspended Review

Filing Type: Rate/Rule

Reviewer(s): Becky Harrington,
Nancy Horton

Author: Gary Behling

Disposition Date: 07/22/2011

Date Submitted: 06/27/2011

Disposition Status: Filed

Effective Date Requested (New): 10/01/2011

Effective Date (New): 10/01/2011

Effective Date Requested (Renewal): 10/01/2011

Effective Date (Renewal):
10/01/2011

State Filing Description:

referred to Commissioner 7/1/11

General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number: 20110214-09

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 07/22/2011

State Status Changed: 07/01/2011

Deemer Date:

Created By: Gary Behling

Submitted By: Gary Behling

Corresponding Filing Tracking Number: n/a

Filing Description:

Revision of some base rates and age of home factors

Company and Contact

Filing Contact Information

Gary Behling, Filing Analyst

gbehling@amig.com

7000 Midland Blvd

800-759-9008 [Phone] 5791 [Ext]

Amelia, OH 45102

SERFF Tracking Number: AMMH-127293926 State: Arkansas

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Filing Company Information

American Modern Home Insurance Company CoCode: 23469 State of Domicile: Ohio
 7000 Midland Blvd. Group Code: 361 Company Type: Property and
 Casualty
 Amelia, OH 45102 Group Name: State ID Number:
 (800) 759-9008 ext. [Phone] FEIN Number: 31-0715697

Filing Fees

Fee Required? Yes
 Fee Amount: \$150.00
 Retaliatory? No
 Fee Explanation: Rate filing = \$100.00
 Rule filing = \$50.00
 Total = \$150.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Modern Home Insurance Company	\$150.00	06/27/2011	49140418

SERFF Tracking Number: AMMH-127293926 State: Arkansas

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/22/2011	07/22/2011

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
No response necessary	Becky Harrington	07/01/2011	07/01/2011	Gary Behling	07/06/2011	07/06/2011
Pending Industry Response	Becky Harrington	06/29/2011	06/29/2011	Gary Behling	07/01/2011	07/01/2011

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	NAIC loss cost data entry document	Gary Behling	06/28/2011	06/28/2011

SERFF Tracking Number:	AMMH-127293926	State:	Arkansas
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Project Name/Number:	/20110214-09		

Disposition

Disposition Date: 07/22/2011
Effective Date (New): 10/01/2011
Effective Date (Renewal): 10/01/2011
Status: Filed
Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Modern Home Insurance Company	20.600%	20.070%	\$1,715,085	9,906	\$8,545,515	33.910%	0.000%

SERFF Tracking Number: AMMH-127293926 State: Arkansas

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TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners

Product Name: AMH Manufactured Home Program

Project Name/Number: /20110214-09

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Cover Memorandum	Filed	Yes
Supporting Document	Actuarial Exhibits	Filed	Yes
Supporting Document	Statistical Data and Disruption Chart (Histogram)	Filed	Yes
Rate (revised)	Manual pages	Filed	Yes
Rate	Manual pages		Yes

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Project Name/Number: /20110214-09

Objection Letter

Objection Letter Status No response necessary
Objection Letter Date 07/01/2011
Submitted Date 07/01/2011

Respond By Date

Dear Gary Behling,

This will acknowledge receipt of the recent response.

Objection 1

Comment: Per your request, the filing is being referred to the Commissioner for review.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,

Becky Harrington

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Project Name/Number: /20110214-09

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/06/2011
Submitted Date 07/06/2011

Dear Becky Harrington,

Comments:

Response 1

Comments: We are assuming this should have been a note to filer, and will treat it accordingly.

Related Objection 1

Comment:

Per your request, the filing is being referred to the Commissioner for review.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
Gary Behling

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Project Name/Number: /20110214-09

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/29/2011

Submitted Date 06/29/2011

Respond By Date

Dear Gary Behling,

This will acknowledge receipt of the captioned filing.

Objection 1

Comment: Provide statistical data supporting the increased age of home factors.

Objection 2

Comment: Please provide a disruption chart.

Objection 3

Comment: Rate change requests greater than 6% are subject to Commissioner Bradford's review. You may either amend the overall change to 6% or request the filing be reviewed by the Commissioner.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

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Project Name/Number: /20110214-09

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/01/2011
Submitted Date 07/01/2011

Dear Becky Harrington,

Comments:

Thank you for your letter of 6/29/11.

Response 1

Comments: American Modern Home uses generalized linear modeling (GLM) in the development of our rate relativities for age of home. The attached exhibit shows the following:

- Policy Count by age of home
- Base Relativity - our current relativities for age of home.
- Emblem (077) EMBLEM Model (077) - the indicated relativities per our GLM for Arkansas. This represents the rates we should be charging to meet our indicated PLR.
- AR 077 Proposed Base - our selected relativities for this filing.

We selected relativities that are lower than the indicated in order to distribute the overall rate impact across all ages of home & to minimize the rate level disruption on any one segment.

Related Objection 1

Comment:

Provide statistical data supporting the increased age of home factors.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Statistical Data and Disruption Chart (Histogram)

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking Number: AMMH-127293926 State: Arkansas
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Response 2

Comments: AR 077 AoH Hist

This exhibit shows the rate impact ranges across each age of home segment.

Related Objection 1

Comment:

Please provide a disruption chart.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Statistical Data and Disruption Chart (Histogram)

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: Although the base rates for the owner and package occupancies have been corrected, the overall rate impact is the same.

Therefore, we request that the filing be reviewed by the Commissioner.

Related Objection 1

Comment:

Rate change requests greater than 6% are subject to Commissioner Bradford's review. You may either amend the overall change to 6% or request the filing be reviewed by the Commissioner.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
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SERFF Tracking Number: *AMMH-127293926* *State:* *Arkansas*
Filing Company: *American Modern Home Insurance Company* *State Tracking Number:*
Company Tracking Number: *20110214-09*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0002 Mobile Homeowners*
Product Name: *AMH Manufactured Home Program*
Project Name/Number: */20110214-09*

Manual pages BR-1 and PR-1 Replacement

Previous Version

Manual pages BR-1 and PR-1 Replacement

Thank you for your further consideration of this filing.

Sincerely,
Gary Behling

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Project Name/Number: /20110214-09

Amendment Letter

Submitted Date: 06/28/2011

Comments:

The corrected NAIC Loss Cost Data Entry Document reflects the requested effective date of 10/1/11; the original document reflected a 12/1/11 effective date.

Also, the indicated % change on the rate/rule schedule should be 23.8%, rather than the 20.6% shown.

Thank you.

Changed Items:

Supporting Document Schedule Item Changes:

Satisfied -Name: NAIC loss cost data entry document

Comment: The previous document was based on a 12/1/11 effective date, rather than the 10/1/11 effective date we are requesting.

_077_F319AR_NAIC Loss Cost Data Entry Doc_corr_.pdf

SERFF Tracking Number:	AMMH-127293926	State:	Arkansas
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Company Tracking Number:	20110214-09		
TOI:	04.0 Homeowners	Sub-TOI:	04.0002 Mobile Homeowners
Product Name:	AMH Manufactured Home Program		
Project Name/Number:	/20110214-09		

Rate Information

Rate data applies to filing.

Filing Method:	File and use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	1.900%
Effective Date of Last Rate Revision:	10/01/2010
Filing Method of Last Filing:	File and use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Modern Home Insurance Company	20.600%	20.070%	\$1,715,085	9,906	\$8,545,515	33.910%	0.000%

SERFF Tracking Number:	AMMH-127293926	State:	Arkansas
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Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 07/22/2011	Manual pages	BR-1 and PR-1	Replacement	PR-1(rev).pdf BR-1(rev).pdf

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Excluding Flood and Excluding Earthquake (042)

Internal Limits for the Package		
Other Structures	Personal Property	Personal Liability
10%	50%	\$50,000

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
042	\$469.49	\$7,000	\$1,000	JL	1.00

OWNER PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
Protected	1.00
Unprotected	1.24

Protected: Located within 5 road miles of a responding fire department.

Unprotected: Not otherwise qualifying as protected.

Age of Insured	Factor
18 - 34	1.12
35 - 49	1.05
50 - 64	0.98
65 +	0.93

Age of Home	Factor
New - 1	1.00
2 - 3	1.03
4 - 5	1.08
6 - 10	1.16
11 - 15	1.19
16 - 20	1.22
21 +	1.28

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER AND SEASONAL BYLINE RATES

Comprehensive Excluding Flood and Earthquake (212/222)

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
212	\$332.50	\$5,000	\$1,000	JL	1.00
222	\$289.67	\$5,000	\$1,000	JL	1.00

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
Protected	1.00
Unprotected	1.24

Protected: Located within 5 road miles of a responding fire department.

Unprotected: Not otherwise qualifying as protected.

Age of Insured	Factor
18 - 34	1.12
35 - 49	1.05
50 - 64	0.98
65 +	0.93

Age of Home	Factor
New - 1	1.00
2 - 3	1.00
4 - 5	1.00
6 - 10	1.05
11 - 15	1.07
16 - 20	1.12
21 +	1.18

SERFF Tracking Number: AMMH-127293926 State: Arkansas
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 Product Name: AMH Manufactured Home Program
 Project Name/Number: /20110214-09

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: NAIC loss cost data entry document	Filed	07/22/2011
Comments:		
Attachment: _070_F319AR_NAIC Loss Cost Data Entry Doc(corr2).pdf		

	Item Status:	Status Date:
Bypassed - Item: NAIC Loss Cost Filing Document for OTHER than Workers' Comp		
Bypass Reason: n/a		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Cover Memorandum	Filed	07/22/2011
Comments:		
Attachment: Filing letter.pdf		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Exhibits	Filed	07/22/2011
Comments:		
Attachment: MH Std AR_077_2011Q1_filing.pdf		

	Item Status:	Status Date:
Satisfied - Item: Statistical Data and Disruption Chart (Histogram)	Filed	07/22/2011

SERFF Tracking Number: *AMMH-127293926* *State:* *Arkansas*
Filing Company: *American Modern Home Insurance Company* *State Tracking Number:*
Company Tracking Number: *20110214-09*
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Project Name/Number: */20110214-09*

Comments:

Attachments:

AR 077 AoH GLM.pdf
AR 077 AoH Hist.pdf

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20110214-09
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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		Company Name	Company NAIC Number	
3.	A.	American Modern Home Insurance Company	B.	361-23469

		Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	Homeowners	B.	Mobile Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (n/a)				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	25.4	25.04					
10111	10.5	8.77					
10301	-0.9	0					
10511	0.2	0					
10201	51.3	0					
TOTAL OVERALL EFFECT	23.8	20.07					

6.

6.	5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2010	13795	1.9%	9/1/2010	8093	4952	61.2%	45.2%
2009	13972	10.4%	6/1/2009	7553	5863	77.6%	52.2%
2008	13964	-2.1%	3/15/2008	7424	6097	82.1%	52.7%
2007	14031	3.6%	9/1/2007	7205	2731	37.9%	36.2%
2006	14155			7073	3488	49.3%	40.2%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	22.3%
B. General Expense	9.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	7.5%
E. Other (Reinsurance)	1.0%
F. TOTAL	43.7%

8.	<u>n/a</u>	Apply Lost Cost Factors to Future filings? (Y or N)
9.	<u>31.99</u>	Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10.	<u>0.00</u>	Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____



7000 Midland Boulevard
Amelia, OH 45102-2607

June 27, 2011

Arkansas Insurance Department
Property & Casualty Division
1200 W. 3rd Street
Little Rock, AR 72201-1904

RE: American Modern Home Insurance Company: NAIC# 127-23469
Manufactured Home Program
Rate/Rule Filing
Company File Number: 20110214-09

In accordance with the filing requirements of your state, we are submitting a revision to the captioned program.

The base rates for the owner and package occupancies are being revised, along with the age of home factors for the package only. Please refer to the manual pages and actuarial exhibits for further details.

We are filing this revision to become effective on October 1, 2011 for new business and renewals.

To the best of our knowledge and belief, this filing is in compliance with the statutes and regulations of your state.

If you have any questions, please contact the undersigned at the telephone number or e-mail address shown.

A handwritten signature in cursive script that reads 'Gary P. Behling'.

Gary P. Behling, CPCU
Senior State Relations Analyst
Phone: 1-800-759-9008, ext. 5791
E-mail: gbehling@amig.com

American Modern Home Insurance Company
Arkansas
Mobile Home Standard

Exhibit 1
Page 1

Proposed Effective Date: 10/1/2011

<u>Class</u>	<u>Premium in Force at 3/31/2011</u>	<u>Premium in Force Distribution</u>	<u>Indication</u>	<u>Balanced Indication</u>
Mobile Home-Byline	\$232,116	2.7%	10.5%	13.5%
Mobile Home-Package	\$6,808,836	79.7%	25.4%	28.8%
Rental	\$1,190,993	13.9%	-0.9%	1.8%
Seasonal-Byline	\$286,254	3.3%	0.2%	2.9%
Tenant	\$27,316	0.3%	51.3%	55.4%
All Classes	\$8,545,515	100.0%	23.8%	23.8%
Weighted Experience Indication:			20.6%	

Explanatory Memorandum

The purpose of the indication is to evaluate the rate level adequacy of the above captioned program in this state. In the evaluation, we take historical premiums and losses from our experience period and project them into a future effective period - our estimate of the time period the proposed rates will be in effect. Data shown is on a direct basis, and is organized on a 12 month rolling accident year basis.

Assumptions and Methodologies

1. On Exhibits 1 and 2 we show the overall rate level indication for this product. The data adjustments used and calculations are described in the following paragraphs.
2. Earned Premiums are adjusted to current rate levels by program and then trended using the factors described below.
 - a. Rate Level Adjustment Factors take into account any approved rate changes that have an impact on the experience period. Quarterly factors (rather than annual factors) are calculated to improve accuracy. We use the average policy term length of each program, and assume the premium is earned equally throughout experience quarters. The calculated factor reflects the final rate level divided by the average rate level for each quarter. These are weighted together to obtain the annual adjustments shown here. By applying this factor to past premium, the adjustment reflects the amount of premium earned at the current rate level. Exhibit 3 outlines the Rate Level History and Rate Level Adjustment Factors.
 - b. The Premium Trend projects the current level premium in our experience periods to the average date the proposed rates will be in effect. We estimate the change in premium values over time by fitting exponential curves to various periods of current level average earned premiums by program or coverage for the state. Historical and Prospective Premium Trend Factors are selected taking into consideration the number of years experience used in the indication. The Historical Trend selection is applied using a time period from the mid-point of the experience period to the midpoint of the latest quarter of data available. The Prospective Trend selection is applied using a time period starting where the historical factor ended to the midpoint of the time the rates are anticipated to be in effect. Please see Exhibit 4.
3. Incurred Losses and ALAE are adjusted using the factors described below.
 - a. If appropriate for the indication in question, catastrophe losses are subtracted from the total losses and treated separately.
 - b. The Loss & ALAE Trend Factor projects the value of losses in our experience periods to the average date the proposed rates will be in effect. We estimate the change in loss values over time by fitting exponential curves to 5 years (20 groups of rolling 4 quarters) of Accident Year frequency and severity data. We select historical and prospective frequency and severity trends taking into consideration the number of years experience used in the indication. These are multiplied together to obtain the pure premium trend. The Historical Pure Premium Trend is applied using a time period from the mid-point of the experience period to the mid-point of the latest quarter of data used. The Prospective Pure Premium Trend is applied using a time period starting where the historical period ends, to the midpoint of the time the rates are anticipated to be in effect. Please see Exhibit 5.

Explanatory Memorandum

- c. Accident Year Incurred Losses & ALAE are used in the rate indication; therefore, losses for each year may not be fully developed. The Loss & ALAE Development Factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group non-catastrophe losses. We calculate quarterly factors and weight them together using each year's latest incurred losses to obtain annual numbers. Please see Exhibit 6.
 - d. A ULAE Factor is applied to the Incurred Loss & ALAE to obtain Incurred Losses & LAE. The factor is calculated based on a 3 year average of historical ULAE to historical Incurred Loss & ALAE. Please see Exhibit 8.
 - e. The Catastrophe Load allows us to use a longer experience period to control our response to unpredictable large loss events. We rely on ISO to identify catastrophes. That definition is any event that causes a loss of at least \$25 million to the insurance industry and has a sufficient number of claims. Our adjustment involves removing such losses and applying a historical average. This provides incurred losses indicative of normal catastrophic activity for our experience period. Please see Exhibit 7 for a further description of the method used.
 - f. The Cat Factor is applied to the Trended, Adjusted Non-Cat IL & LAE to obtain the Catastrophe IL & LAE.
 - g. The Total Adjusted Incurred Loss and LAE is the sum of the Trended Adjusted IL & LAE Excl Wea losses and the Trended Adjusted Wea Incurred Loss & LAE .
- 4. The Adjusted Loss and LAE Ratio is the Total Trended Adjusted Incurred Loss & LAE divided by the Trended Current Level Earned Premium.
 - 5. Normally, Accident Year weights are judgmentally selected to place greater weight on the more recent year's experience. However, when a program is growing rapidly, accident year weights may be based on Earned Premiums to avoid having an earlier year affecting the indication more than it should. Consideration may also be given to using even weights on all years when the Adjusted Loss and LAE Ratio are extremely volatile by year.
 - 6. The Weighted Experience Loss and LAE Ratio is the weighted average of the individual years Adjusted Loss and LAE Ratios and the Accident Year Weights.

Explanatory Memorandum

7. The Permissible Loss and LAE Ratio LAE Ratio calculation may be found in 9. This calculation includes determination of a
 - a. The derivation of the Pre-Paid Commissions and Taxes, Licenses and Fees may be found at the bottom of this exhibit. Other Acquisition and General Expenses are based on Countrywide, Company Data for the Program being evaluated. The Reinsurance Expense is designed to cover the cost of our catastrophe and excess of loss experience contracts. It is a gross provision determined by reinsurance premium minus estimated reinsurance recoveries.
 - b. The Profit Provision is based on a 15% Targeted After Tax Return on Equity and a 2.3:1 Targeted Premium to Surplus Ratio.
 - c. Return on Investment Income is based on the Clifford/Sterling Formula. This calculation, and an explanation of the calculation, may be found in Exhibit 10.
8. The Complement of Credibility is the Trended Permissible Loss Ratio. A Loss Ratio Trend is determined based on the prospective premium and losses trends. A time exponent based on the time from our last revision to the proposed effective date, capped at 1 years, is applied. Exhibit 11 contains the calculations.
9. Credibility is based on the square root rule, with full credibility at 40000 Earned Exposures.
10. The Credibility Weighted Loss and LAE Ratio is calculated by credibility weighting the Weighted Experience Loss & LAE Ratio and the Complement of Credibility - Trended Permissible.
11. The Indicated Rate Level Change is calculated as the $((\text{Credibility Weighted Loss \& LAE Ratio}) / (\text{Permissible Loss \& LAE Ratio})) - 1$

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
All Classes

Exhibit 2

Page 1

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	14,109	13,992	13,963	13,942	13,821
(2) Earned Premium	7,088,691	7,266,706	7,431,577	7,667,786	8,224,143
(3) Rate Level Adjustment Factor	1.139	1.130	1.104	1.063	1.016
(4) Current Level Earned Premium	8,071,513	8,212,609	8,202,681	8,147,436	8,356,342
(5) Premium Trend Factor	1.090	1.080	1.071	1.061	1.052
(6) Trended Current Level Earned Premium	8,797,949	8,869,618	8,785,072	8,644,430	8,790,872
	28.4%	32.9%	31.2%	35.7%	48.5%
(7) Total Incurred Losses & ALAE	3,522,778	5,072,420	6,043,920	5,626,813	5,396,999
(8) Weather Incurred Losses & ALAE	1,266,856	2,412,161	3,526,261	2,763,672	1,402,544
(9) IL & ALAE Excl Wea losses	2,255,922	2,660,259	2,517,659	2,863,141	3,994,455
(10) Incurred Loss & ALAE Trend Factor	1.645	1.491	1.352	1.226	1.111
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	3,766,656	4,017,890	3,448,023	3,566,427	4,657,557
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	2,049,061	2,185,732	1,875,725	1,940,136	2,533,711
(16) Total Trended Adjusted Incurred Loss & LAE	5,815,717	6,203,622	5,323,748	5,506,563	7,191,268
(17) Adjusted Loss & LAE Ratio *	0.661	0.699	0.606	0.637	0.818
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	934	1,009	1,007	1,431	840
(20) Weighted Experience Loss & LAE Ratio					0.697
(21) Permissible Loss & LAE Ratio					0.563
(24) Complement of Credibility - Trended Permissible					0.575
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(26) Credibility Weighted Loss & LAE Ratio					0.697
(27) Credibility Weighted Indicated Rate Level Change					23.8%

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Mobile Home-Byline

Exhibit 2

Page 2

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	418	400	386	382	384
(2) Earned Premium	202,629	199,244	200,533	200,445	211,151
(3) Rate Level Adjustment Factor	1.078	1.065	1.013	1.005	1.000
(4) Current Level Earned Premium	218,374	212,251	203,166	201,387	211,173
(5) Premium Trend Factor	1.094	1.086	1.079	1.071	1.063
(6) Trended Current Level Earned Premium	238,901	230,504	219,216	215,685	224,476
(7) Total Incurred Losses & ALAE	207,229	66,677	85,663	132,951	136,724
(8) Weather Incurred Losses & ALAE	18,083	15,941	47,408	48,225	29,265
(9) IL & ALAE Excl Wea losses	189,146	50,736	38,255	84,727	107,460
(10) Incurred Loss & ALAE Trend Factor	1.645	1.491	1.352	1.226	1.111
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	315,813	76,628	52,392	105,539	125,298
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	171,802	41,686	28,501	57,413	68,162
(16) Total Trended Adjusted Incurred Loss & LAE	487,615	118,314	80,893	162,952	193,460
(17) Adjusted Loss & LAE Ratio *	2.041	0.513	0.369	0.756	0.862
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	20	18	27	41	26
(20) Weighted Experience Loss & LAE Ratio					0.802
(21) Permissible Loss & LAE Ratio					0.563
(24) Complement of Credibility - Trended Permissible					0.571
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.222
(26) Credibility Weighted Loss & LAE Ratio					0.622
(27) Credibility Weighted Indicated Rate Level Change					10.5%

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Mobile Home-Package

Exhibit 2

Page 3

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	9,858	9,769	9,677	9,506	9,424
(2) Earned Premium	5,728,357	5,852,454	5,961,899	6,106,132	6,587,570
(3) Rate Level Adjustment Factor	1.166	1.157	1.128	1.078	1.020
(4) Current Level Earned Premium	6,682,027	6,773,526	6,727,437	6,583,535	6,719,718
(5) Premium Trend Factor	1.090	1.080	1.071	1.061	1.052
(6) Trended Current Level Earned Premium	7,283,409	7,315,408	7,205,085	6,985,130	7,069,144
(7) Total Incurred Losses & ALAE	2,819,852	4,529,594	5,172,286	4,767,680	4,469,187
(8) Weather Incurred Losses & ALAE	1,143,323	2,206,018	2,991,898	2,396,032	1,274,305
(9) IL & ALAE Excl Wea losses	1,676,529	2,323,576	2,180,388	2,371,647	3,194,881
(10) Incurred Loss & ALAE Trend Factor	1.645	1.491	1.352	1.226	1.111
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	2,799,259	3,509,386	2,986,119	2,954,205	3,725,250
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	1,522,797	1,909,106	1,624,449	1,607,088	2,026,536
(16) Total Trended Adjusted Incurred Loss & LAE	4,322,056	5,418,492	4,610,568	4,561,293	5,751,786
(17) Adjusted Loss & LAE Ratio *	0.593	0.741	0.640	0.653	0.814
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	794	871	843	1,194	688
(20) Weighted Experience Loss & LAE Ratio					0.706
(21) Permissible Loss & LAE Ratio					0.563
(24) Complement of Credibility - Trended Permissible					0.575
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(26) Credibility Weighted Loss & LAE Ratio					0.706
(27) Credibility Weighted Indicated Rate Level Change					25.4%

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Rental

Exhibit 2

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Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	3,286	3,265	3,326	3,465	3,402
(2) Earned Premium	914,757	959,611	998,540	1,074,278	1,124,333
(3) Rate Level Adjustment Factor	1.000	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	914,757	959,611	998,540	1,074,278	1,124,333
(5) Premium Trend Factor	1.276	1.229	1.184	1.141	1.099
(6) Trended Current Level Earned Premium	1,167,230	1,179,362	1,182,271	1,225,751	1,235,642
(7) Total Incurred Losses & ALAE	378,799	363,237	623,813	545,302	586,759
(8) Weather Incurred Losses & ALAE	82,120	166,173	371,961	240,620	78,020
(9) IL & ALAE Excl Wea losses	296,680	197,064	251,851	304,682	508,739
(10) Incurred Loss & ALAE Trend Factor	1.645	1.491	1.352	1.226	1.111
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	495,359	297,633	344,919	379,523	593,192
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	269,475	161,913	187,636	206,460	322,697
(16) Total Trended Adjusted Incurred Loss & LAE	764,834	459,546	532,555	585,983	915,889
(17) Adjusted Loss & LAE Ratio *	0.655	0.390	0.450	0.478	0.741
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	93	105	106	153	99
(20) Weighted Experience Loss & LAE Ratio					0.556
(21) Permissible Loss & LAE Ratio					0.563
(24) Complement of Credibility - Trended Permissible					0.563
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.647
(26) Credibility Weighted Loss & LAE Ratio					0.558
(27) Credibility Weighted Indicated Rate Level Change					-0.9%

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Seasonal-Byline

Exhibit 2

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Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	480	480	492	510	522
(2) Earned Premium	223,467	232,172	246,967	264,061	274,626
(3) Rate Level Adjustment Factor	1.060	1.051	1.012	1.005	1.000
(4) Current Level Earned Premium	236,874	243,997	249,900	265,366	274,655
(5) Premium Trend Factor	1.092	1.075	1.059	1.044	1.028
(6) Trended Current Level Earned Premium	258,666	262,296	264,644	277,042	282,346
(7) Total Incurred Losses & ALAE	88,010	111,747	134,824	122,570	129,798
(8) Weather Incurred Losses & ALAE	23,331	23,623	113,096	78,795	17,710
(9) IL & ALAE Excl Wea losses	64,679	88,124	21,729	43,775	112,088
(10) Incurred Loss & ALAE Trend Factor	1.645	1.491	1.352	1.226	1.111
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	107,993	133,098	29,758	54,528	130,695
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	58,748	72,405	16,188	29,663	71,098
(16) Total Trended Adjusted Incurred Loss & LAE	166,741	205,503	45,946	84,191	201,793
(17) Adjusted Loss & LAE Ratio *	0.645	0.783	0.174	0.304	0.715
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	24	12	26	38	16
(20) Weighted Experience Loss & LAE Ratio					0.507
(21) Permissible Loss & LAE Ratio					0.563
(24) Complement of Credibility - Trended Permissible					0.583
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.249
(26) Credibility Weighted Loss & LAE Ratio					0.564
(27) Credibility Weighted Indicated Rate Level Change					0.2%

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Tenant

Exhibit 2

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Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	65	78	81	79	88
(2) Earned Premium	19,482	23,225	23,639	22,871	26,462
(3) Rate Level Adjustment Factor	1.000	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	19,482	23,225	23,639	22,871	26,462
(5) Premium Trend Factor	1.036	1.038	1.041	1.044	1.047
(6) Trended Current Level Earned Premium	20,183	24,108	24,608	23,877	27,706
(7) Total Incurred Losses & ALAE	28,887	925	27,196	58,309	74,171
(8) Weather Incurred Losses & ALAE	-	287	1,898	-	3,243
(9) IL & ALAE Excl Wea losses	28,887	638	25,298	58,309	70,928
(10) Incurred Loss & ALAE Trend Factor	1.645	1.491	1.352	1.226	1.111
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	48,233	964	34,646	72,632	82,702
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	26,239	524	18,847	39,512	44,990
(16) Total Trended Adjusted Incurred Loss & LAE	74,472	1,488	53,493	112,144	127,692
(17) Adjusted Loss & LAE Ratio *	3.690	0.062	2.174	4.697	4.609
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	3	2	4	5	10
(20) Weighted Experience Loss & LAE Ratio					3.370
(21) Permissible Loss & LAE Ratio					0.563
(24) Complement of Credibility - Trended Permissible					0.575
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.099
(26) Credibility Weighted Loss & LAE Ratio					0.852
(27) Credibility Weighted Indicated Rate Level Change					51.3%

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
All Classes

Exhibit 3

Rate History

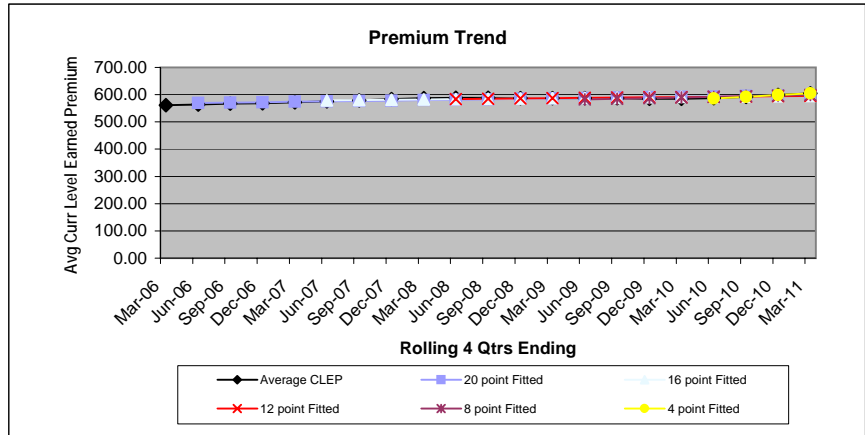
Rates Changes by Class						
Effective Date	All Classes	Mobile Home-Byline	Mobile Home- Package	Rental	Seasonal- Byline	Tenant
9/1/2010	1.9%	0.0%	2.4%	0.0%	0.0%	0.0%
6/1/2009	10.4%	0.7%	2.3%	0.0%	0.8%	0.0%
3/15/2008	-2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
9/1/2007	3.6%	7.0%	4.1%	0.0%	5.2%	0.0%

Rate Level Adjustment Factor						
Accident Year Ending	All Classes	Mobile Home-Byline	Mobile Home- Package	Rental	Seasonal- Byline	Tenant
3/31/2007	1.139	1.078	1.166	1.000	1.060	1.000
3/31/2008	1.130	1.065	1.157	1.000	1.051	1.000
3/31/2009	1.104	1.013	1.128	1.000	1.012	1.000
3/31/2010	1.063	1.005	1.078	1.000	1.005	1.000
3/31/2011	1.016	1.000	1.020	1.000	1.000	1.000

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	8,055,284	14,336	561.91					
6/30/2006	8,030,610	14,238	564.03	569.30				
9/30/2006	8,036,787	14,180	566.78	570.80				
12/31/2006	8,052,294	14,155	568.88	572.29				
3/31/2007	8,071,513	14,109	572.07	573.79				
6/30/2007	8,105,052	14,086	575.38	575.30	579.57			
9/30/2007	8,152,758	14,074	579.29	576.81	580.64			
12/31/2007	8,186,730	14,031	583.48	578.32	581.71			
3/31/2008	8,212,609	13,992	586.94	579.83	582.78			
6/30/2008	8,218,478	13,967	588.40	581.35	583.86	584.27		
9/30/2008	8,208,378	13,958	588.10	582.88	584.93	585.26		
12/31/2008	8,205,837	13,964	587.64	584.41	586.01	586.26		
3/31/2009	8,202,681	13,963	587.46	585.94	587.09	587.27		
6/30/2009	8,217,113	13,989	587.42	587.47	588.18	588.27	582.39	
9/30/2009	8,209,030	13,990	586.79	589.01	589.26	589.27	584.76	
12/31/2009	8,178,123	13,972	585.31	590.56	590.35	590.28	587.13	
3/31/2010	8,147,436	13,942	584.37	592.11	591.44	591.29	589.52	
6/30/2010	8,136,898	13,868	586.73	593.66	592.53	592.30	591.92	586.58
9/30/2010	8,173,564	13,801	592.24	595.22	593.62	593.31	594.32	592.51
12/31/2010	8,257,181	13,795	598.58	596.78	594.72	594.33	596.74	598.51
3/31/2011	8,356,342	13,821	604.61	598.34	595.82	595.34	599.17	604.57

Annual Premium Trend	
20 point fit	1.1%
16 point fit	0.7%
12 point fit	0.7%
8 point fit	1.6%
4 point fit	4.1%
Historical Selected	
Prospective Selected	0.9%
	2.9%

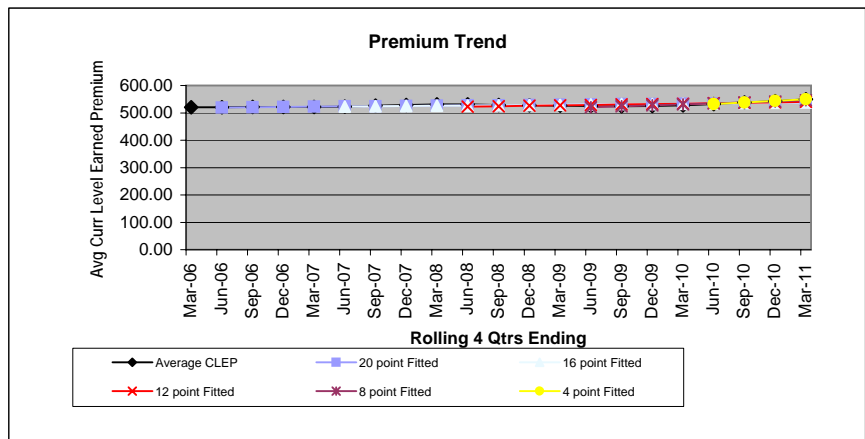


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.090
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.080
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.071
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.061
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.052

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	239,693	460	520.97					
6/30/2006	231,302	444	520.78	519.87				
9/30/2006	226,005	433	522.07	520.77				
12/31/2006	221,360	424	522.15	521.68				
3/31/2007	218,374	418	522.11	522.58				
6/30/2007	216,496	414	522.43	523.49	522.81			
9/30/2007	215,101	409	525.76	524.40	523.79			
12/31/2007	213,857	404	528.92	525.31	524.78			
3/31/2008	212,251	400	530.77	526.23	525.76			
6/30/2008	210,075	396	531.13	527.14	526.75	522.91		
9/30/2008	207,753	393	528.22	528.06	527.73	524.43		
12/31/2008	206,026	391	527.11	528.97	528.72	525.95		
3/31/2009	203,166	386	526.21	529.89	529.72	527.47		
6/30/2009	201,534	384	524.95	530.81	530.71	529.00	520.30	
9/30/2009	200,612	382	524.49	531.74	531.71	530.53	523.86	
12/31/2009	200,823	383	524.86	532.66	532.70	532.07	527.45	
3/31/2010	201,387	382	527.43	533.59	533.70	533.61	531.06	
6/30/2010	202,410	380	531.96	534.51	534.70	535.16	534.70	531.74
9/30/2010	203,844	379	537.48	535.44	535.71	536.71	538.36	537.52
12/31/2010	206,138	380	542.77	536.37	536.71	538.26	542.05	543.36
3/31/2011	211,173	384	549.67	537.30	537.72	539.82	545.76	549.26

Annual Premium Trend	
20 point fit	0.7%
16 point fit	0.8%
12 point fit	1.2%
8 point fit	2.8%
4 point fit	4.4%
Historical Selected	
Prospective Selected	0.7%
	3.6%

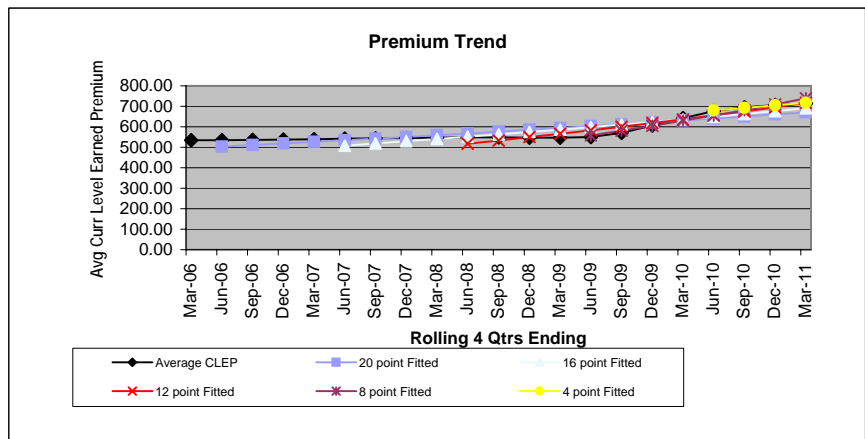


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.094
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.086
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.079
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.071
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.063

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	2,495,629	4,675	533.81					
6/30/2006	2,462,271	4,610	534.06	502.76				
9/30/2006	2,441,112	4,556	535.85	510.45				
12/31/2006	2,425,101	4,510	537.70	518.26				
3/31/2007	2,407,743	4,461	539.72	526.18				
6/30/2007	2,391,847	4,417	541.53	534.23	508.31			
9/30/2007	2,377,898	4,373	543.75	542.40	518.78			
12/31/2007	2,360,577	4,325	545.74	550.70	529.46			
3/31/2008	2,345,406	4,285	547.31	559.12	540.36			
6/30/2008	2,332,970	4,256	548.10	567.67	551.49	517.70		
9/30/2008	2,317,875	4,232	547.69	576.35	562.85	533.23		
12/31/2008	2,302,010	4,205	547.40	585.17	574.44	549.23		
3/31/2009	2,278,985	4,162	547.53	594.12	586.27	565.70		
6/30/2009	2,269,533	4,128	549.77	603.20	598.34	582.67	558.49	
9/30/2009	2,506,230	4,389	571.02	612.43	610.66	600.15	581.26	
12/31/2009	3,025,761	4,993	605.95	621.79	623.24	618.15	604.95	
3/31/2010	3,796,537	5,910	642.34	631.30	636.07	636.69	629.61	
6/30/2010	4,832,732	7,151	675.80	640.96	649.17	655.79	655.28	679.41
9/30/2010	5,700,024	8,193	695.73	650.76	662.54	675.46	681.99	691.62
12/31/2010	6,301,543	8,913	707.00	660.71	676.18	695.72	709.78	704.05
3/31/2011	6,666,650	9,346	713.30	670.82	690.11	716.59	738.72	716.70

Annual Premium Trend	
20 point fit	6.3%
16 point fit	8.5%
12 point fit	12.5%
8 point fit	17.3%
4 point fit	7.4%
Historical Selected	0.9%
Prospective Selected	2.9%

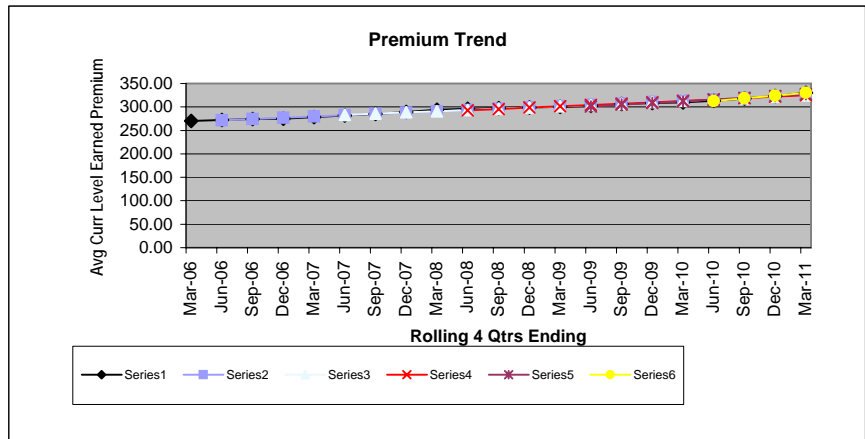


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.090
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.080
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.071
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.061
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.052

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	890,467	3,296	270.16					
6/30/2006	890,736	3,274	272.10	271.77				
9/30/2006	897,139	3,273	274.10	274.35				
12/31/2006	905,328	3,291	275.12	276.96				
3/31/2007	914,757	3,286	278.35	279.58				
6/30/2007	927,460	3,290	281.89	282.24	283.03			
9/30/2007	937,354	3,288	285.08	284.91	285.64			
12/31/2007	946,760	3,271	289.40	287.62	288.26			
3/31/2008	959,611	3,265	293.95	290.35	290.92			
6/30/2008	968,247	3,270	296.09	293.10	293.59	292.92		
9/30/2008	977,541	3,288	297.33	295.88	296.29	295.70		
12/31/2008	987,539	3,307	298.62	298.69	299.02	298.51		
3/31/2009	998,540	3,326	300.21	301.52	301.77	301.34		
6/30/2009	1,020,879	3,374	302.55	304.38	304.55	304.20	301.15	
9/30/2009	1,043,528	3,409	306.12	307.27	307.35	307.09	304.75	
12/31/2009	1,061,380	3,442	308.40	310.19	310.18	310.01	308.39	
3/31/2010	1,074,278	3,465	310.05	313.13	313.03	312.95	312.07	
6/30/2010	1,081,491	3,452	313.26	316.10	315.91	315.92	315.80	312.79
9/30/2010	1,087,430	3,420	317.97	319.10	318.82	318.92	319.57	318.41
12/31/2010	1,102,399	3,407	323.56	322.13	321.75	321.95	323.38	324.13
3/31/2011	1,124,333	3,402	330.48	325.18	324.71	325.01	327.25	329.95

Annual Premium Trend	
20 point fit	3.8%
16 point fit	3.7%
12 point fit	3.9%
8 point fit	4.9%
4 point fit	7.4%
Historical Selected	3.8%
Prospective Selected	5.0%

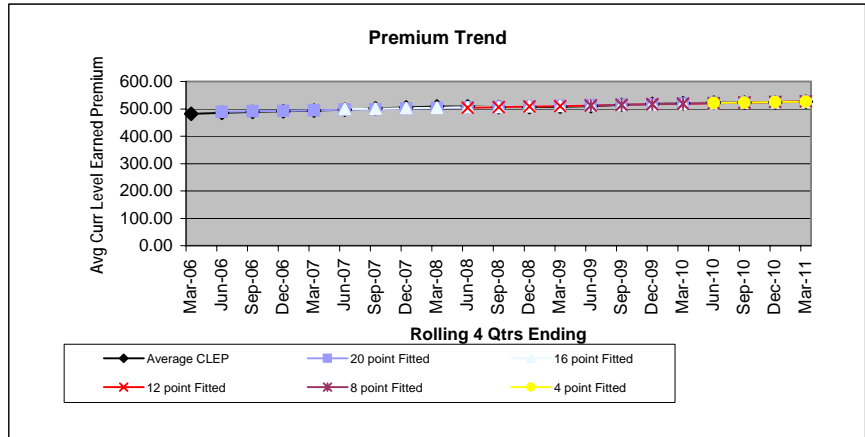


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.276
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.229
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.184
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.141
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.099

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	233,234	484	482.37					
6/30/2006	234,007	482	485.06	488.76				
9/30/2006	234,969	481	488.52	490.73				
12/31/2006	235,272	479	490.98	492.70				
3/31/2007	236,874	480	493.28	494.69				
6/30/2007	239,653	482	497.50	496.68	499.37			
9/30/2007	243,376	485	502.21	498.69	501.10			
12/31/2007	244,495	483	505.76	500.70	502.84			
3/31/2008	243,997	480	508.31	502.71	504.58			
6/30/2008	242,729	478	508.25	504.74	506.33	504.39		
9/30/2008	242,760	479	506.38	506.77	508.08	506.40		
12/31/2008	245,339	485	506.37	508.82	509.84	508.42		
3/31/2009	249,900	492	507.51	510.87	511.60	510.44		
6/30/2009	254,859	500	510.09	512.93	513.37	512.48	512.24	
9/30/2009	258,878	503	514.19	514.99	515.15	514.52	514.39	
12/31/2009	263,028	508	517.82	517.07	516.94	516.57	516.55	
3/31/2010	265,366	510	520.38	519.15	518.73	518.63	518.72	
6/30/2010	266,754	511	522.53	521.25	520.52	520.70	520.89	522.06
9/30/2010	267,812	512	522.82	523.35	522.32	522.77	523.08	523.38
12/31/2010	270,864	517	524.40	525.46	524.13	524.85	525.27	524.70
3/31/2011	274,655	522	526.41	527.57	525.95	526.94	527.48	526.02

Annual Premium Trend	
20 point fit	1.6%
16 point fit	1.4%
12 point fit	1.6%
8 point fit	1.7%
4 point fit	1.0%
Historical Selected	1.5%
Prospective Selected	1.4%

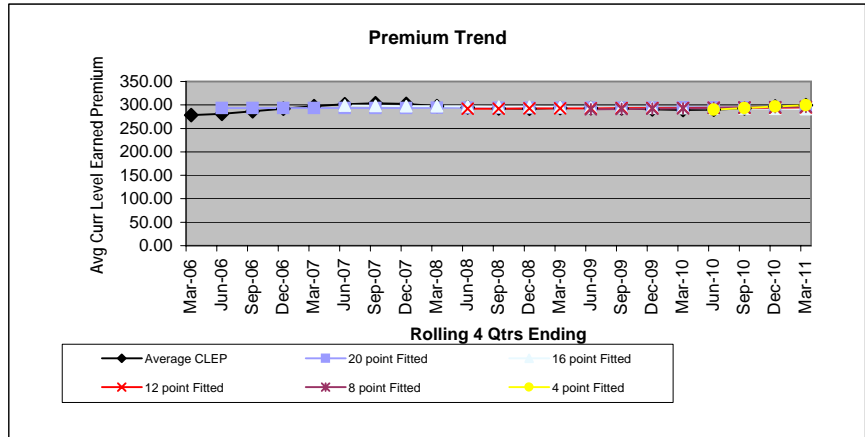


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.092
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.075
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.059
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.044
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.028

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	14,485	52	278.57					
6/30/2006	15,356	55	281.29	293.20				
9/30/2006	16,827	59	286.87	293.28				
12/31/2006	18,194	62	291.68	293.36				
3/31/2007	19,482	65	297.44	293.44				
6/30/2007	20,430	68	301.75	293.52	298.78			
9/30/2007	21,602	71	303.34	293.60	298.29			
12/31/2007	22,783	75	302.18	293.68	297.81			
3/31/2008	23,225	78	297.38	293.76	297.32			
6/30/2008	23,764	81	294.51	293.84	296.84	291.89		
9/30/2008	23,518	80	292.76	293.92	296.35	292.12		
12/31/2008	23,430	80	291.99	294.00	295.87	292.36		
3/31/2009	23,639	81	293.28	294.08	295.38	292.59		
6/30/2009	23,610	80	293.59	294.16	294.90	292.82	290.31	
9/30/2009	23,907	82	292.95	294.24	294.42	293.05	291.13	
12/31/2009	23,411	81	290.33	294.32	293.94	293.28	291.95	
3/31/2010	22,871	79	289.46	294.40	293.46	293.52	292.77	
6/30/2010	23,053	79	290.15	294.48	292.98	293.75	293.60	289.86
9/30/2010	23,699	81	292.48	294.56	292.50	293.98	294.42	293.14
12/31/2010	24,996	84	296.88	294.64	292.03	294.21	295.25	296.46
3/31/2011	26,462	88	299.76	294.72	291.55	294.45	296.09	299.82

Annual Premium Trend	
20 point fit	0.1%
16 point fit	-0.7%
12 point fit	0.3%
8 point fit	1.1%
4 point fit	4.6%
Historical Selected	-0.3%
Prospective Selected	2.9%



Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.036
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.038
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.041
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.044
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.047

Loss Trend

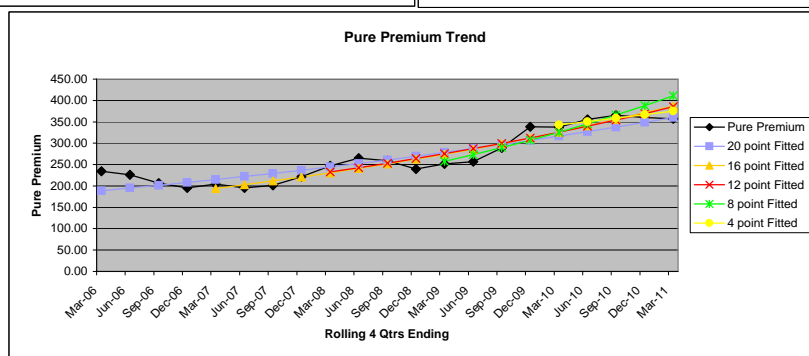
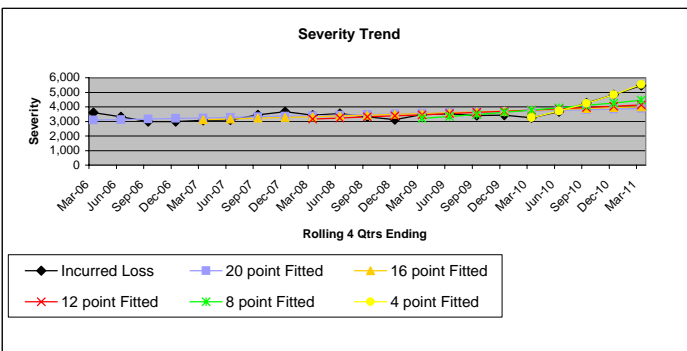
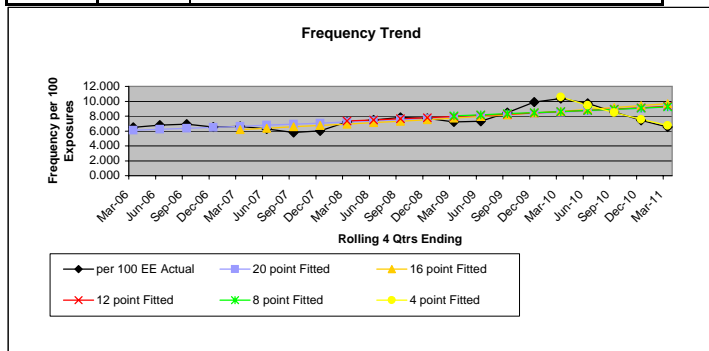
Loss Trend Based on Arkansas - American Modern Home Insurance Company Data Excluding Catastrophe Losses

Accident Period 4 Qtrs Ending	Ultimate Reported Claim Counts	Ultimate Non-Cat Incurred Loss & ALAE	Earned Exposures	Frequency					Severity						
				Frequency per 100 EE Actual	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted	Average Incurred Loss	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	932	3,361,014	14,336	6.502	6.120					3,606	3,089				
6/30/2006	969	3,219,046	14,238	6.808	6.247					3,321	3,125				
9/30/2006	981	2,930,971	14,180	6.921	6.377					2,986	3,162				
12/31/2006	925	2,770,647	14,155	6.538	6.509					2,994	3,199				
3/31/2007	935	2,883,184	14,109	6.624	6.645	6.209				3,085	3,237	3,126			
6/30/2007	887	2,756,249	14,086	6.295	6.783	6.383				3,108	3,275	3,175			
9/30/2007	818	2,830,602	14,074	5.811	6.923	6.562				3,461	3,313	3,225			
12/31/2007	847	3,104,437	14,031	6.037	7.067	6.746				3,665	3,352	3,275			
3/31/2008	1,011	3,457,241	13,992	7.222	7.214	6.935	7.355			3,421	3,391	3,327	3,167		
6/30/2008	1,045	3,704,126	13,967	7.481	7.364	7.130	7.502			3,545	3,431	3,379	3,238		
9/30/2008	1,090	3,613,931	13,958	7.812	7.517	7.330	7.651			3,314	3,471	3,431	3,311		
12/31/2008	1,075	3,343,212	13,964	7.696	7.673	7.535	7.803			3,111	3,512	3,485	3,385		
3/31/2009	1,010	3,516,662	13,963	7.234	7.832	7.747	7.959	8.041		3,482	3,553	3,540	3,461	3,207	
6/30/2009	1,022	3,590,861	13,989	7.308	7.995	7.964	8.118	8.182		3,513	3,595	3,595	3,539	3,341	
9/30/2009	1,183	4,039,587	13,990	8.459	8.161	8.187	8.279	8.324		3,414	3,637	3,651	3,618	3,481	
12/31/2009	1,384	4,731,561	13,972	9.904	8.331	8.417	8.444	8.469		3,419	3,680	3,709	3,700	3,627	
3/31/2010	1,442	4,706,122	13,942	10.344	8.504	8.653	8.613	8.617	10.572	3,263	3,723	3,767	3,783	3,779	3,245
6/30/2010	1,348	4,936,980	13,868	9.720	8.680	8.896	8.784	8.767	9.458	3,662	3,767	3,825	3,868	3,937	3,708
9/30/2010	1,180	5,043,305	13,801	8.553	8.861	9.146	8.959	8.920	8.462	4,272	3,811	3,885	3,954	4,102	4,239
12/31/2010	1,028	4,972,329	13,795	7.449	9.045	9.402	9.138	9.076	7.571	4,839	3,856	3,946	4,043	4,274	4,845
3/31/2011	902	4,937,970	13,821	6.524	9.233	9.666	9.320	9.234	6.773	5,476	3,901	4,008	4,134	4,453	5,537

Accident Period 4 Qtrs Ending	Pure Premium					
	Pure Premium	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	234.45	189.04				
6/30/2006	226.09	195.23				
9/30/2006	206.70	201.63				
12/31/2006	195.74	208.23				
3/31/2007	204.35	215.05	194.09			
6/30/2007	195.67	222.10	202.66			
9/30/2007	201.13	229.37	211.61			
12/31/2007	221.26	236.88	220.95			
3/31/2008	247.08	244.64	230.70	232.95		
6/30/2008	265.20	252.66	240.88	242.93		
9/30/2008	258.92	260.93	251.52	253.33		
12/31/2008	239.41	269.48	262.62	264.18		
3/31/2009	251.86	278.31	274.21	275.49	257.85	
6/30/2009	256.70	287.43	286.31	287.28	273.34	
9/30/2009	288.76	296.84	298.95	299.59	289.76	
12/31/2009	338.64	306.56	312.15	312.41	307.16	
3/31/2010	337.55	316.61	325.93	325.79	325.61	343.02
6/30/2010	355.99	326.98	340.31	339.74	345.17	350.76
9/30/2010	365.43	337.69	355.34	354.29	365.91	358.68
12/31/2010	360.46	348.75	371.02	369.46	387.89	366.77
3/31/2011	357.28	360.17	387.40	385.28	411.19	375.05

Annual Loss Trend			
	Frequency	Severity	Pure Premium
20 point fit	8.6%	4.8%	13.8%
16 point fit	11.7%	6.4%	18.9%
12 point fit	8.2%	9.3%	18.3%
8 point fit	7.2%	17.8%	26.3%
4 point fit	-35.9%	70.7%	9.3%
Historical Selected	3.1%	7.0%	10.3%
Prospective Selected	0.0%	5.0%	5.0%

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	11/15/2010	4.125	11/15/2010	10/12/2012	1.908	1.645
3/31/2008	9/30/2007	11/15/2010	3.125	11/15/2010	10/12/2012	1.908	1.491
3/31/2009	9/30/2008	11/15/2010	2.125	11/15/2010	10/12/2012	1.908	1.352
3/31/2010	9/30/2009	11/15/2010	1.125	11/15/2010	10/12/2012	1.908	1.226
3/31/2011	9/30/2010	11/15/2010	0.125	11/15/2010	10/12/2012	1.908	1.111



Loss & ALAE Development

Data shown is Countrywide Consolidated American Modern Insurance Group MH Standard

Cumulative Incurred Loss and ALAE Development

Accident Qtr Ending	Development Age																					
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66
Jun-05	23,411,722	24,213,466	24,075,946	23,866,270	23,920,816	24,104,273	24,279,275	24,230,255	24,349,640	24,492,885	24,484,118	24,466,008	24,556,474	24,514,445	24,607,509	24,587,399	24,568,997	24,569,135	24,432,520	24,432,520	24,386,139	24,384,241
Sep-05	27,518,765	28,212,369	28,507,524	28,235,728	28,601,067	28,616,185	28,667,877	28,584,036	28,607,962	28,811,455	28,746,296	28,689,772	28,669,971	28,600,451	28,600,284	28,582,945	28,593,970	28,574,180	28,574,104	28,542,792	28,542,210	28,552,335
Dec-05	25,849,375	25,823,760	25,725,490	25,787,848	25,671,658	25,881,589	25,762,745	25,702,328	25,792,049	26,045,163	26,044,024	26,130,950	26,028,324	26,020,770	25,905,441	25,856,109	25,863,160	25,878,327	25,879,042	25,880,293	25,880,613	25,877,100
Mar-06	21,398,706	21,826,679	22,085,703	22,289,848	22,686,960	22,659,319	22,668,724	22,569,615	22,877,952	22,828,263	22,842,412	22,635,626	22,660,410	22,665,491	22,656,789	22,651,113	22,652,583	22,643,276	22,649,994	22,649,979	22,651,993	
Jun-06	27,081,178	27,523,502	27,547,726	27,510,665	27,877,539	28,230,353	28,121,864	28,160,114	28,241,697	27,969,397	27,889,664	27,879,663	27,871,310	27,897,385	27,908,206	27,906,188	27,894,786	27,893,650	27,897,824	27,895,748		
Sep-06	25,032,206	25,926,893	26,247,549	26,610,753	26,555,970	26,641,594	26,748,463	26,720,176	26,683,668	26,460,407	26,461,363	26,324,350	26,462,104	26,459,682	26,500,215	26,469,388	26,048,528	26,038,976	26,039,252			
Dec-06	23,379,899	24,815,746	24,798,660	24,672,170	24,668,726	24,808,982	24,734,512	24,726,192	24,763,635	24,729,302	24,746,157	24,713,829	24,695,999	24,698,278	24,697,485	24,637,938	24,657,825	24,534,071				
Mar-07	22,797,232	24,210,971	24,664,602	24,670,214	24,891,386	25,086,492	24,992,899	24,918,515	24,680,428	24,789,235	24,818,837	24,809,690	24,707,557	24,757,127	24,667,830	24,659,747	24,605,588					
Jun-07	27,472,007	29,351,668	29,345,398	29,613,383	30,073,987	30,125,805	29,815,921	29,784,025	29,860,945	29,902,980	29,804,649	29,760,132	29,744,284	29,750,181	29,793,184	29,811,657						
Sep-07	26,816,792	28,278,505	28,376,346	28,451,881	28,331,283	27,957,703	27,872,764	27,912,335	28,696,599	28,777,526	28,770,380	28,898,377	28,842,543	28,780,493	28,752,058							
Dec-07	21,785,020	23,779,923	24,086,327	24,059,077	24,067,903	24,363,354	24,344,460	24,355,266	24,283,722	24,055,976	24,143,237	24,045,818	24,000,147	24,012,129								
Mar-08	29,294,492	31,959,312	31,895,617	31,838,015	32,330,472	32,276,907	32,346,769	32,268,568	32,346,637	32,442,252	32,458,418	32,451,873	32,458,024									
Jun-08	32,881,325	34,577,538	34,699,481	34,904,401	35,227,978	35,265,356	35,286,620	35,230,432	35,273,803	35,206,726	35,205,096	35,199,641										
Sep-08	30,337,179	32,164,388	32,155,268	32,052,253	32,686,975	32,738,209	32,695,654	32,683,003	32,668,936	32,882,102	32,751,406											
Dec-08	31,785,463	33,778,934	34,158,409	34,447,936	34,551,578	34,607,944	34,696,842	34,797,921	34,950,122	34,870,457												
Mar-09	30,980,247	33,258,146	33,592,418	33,958,617	34,375,246	34,578,859	34,381,427	34,417,707	34,388,335													
Jun-09	33,509,264	35,727,723	35,967,026	36,402,396	36,789,230	36,662,663	36,561,520	36,675,805														
Sep-09	33,535,244	35,338,919	35,762,012	35,721,325	35,779,095	35,944,466	35,840,830															
Dec-09	31,235,850	32,996,489	33,561,250	33,571,260	33,609,855	33,966,564																
Mar-10	30,569,604	32,765,449	33,522,277	33,719,689	33,976,616																	
Jun-10	32,843,294	34,731,588	34,876,476	35,132,589																		
Sep-10	36,954,870	38,119,131	38,604,824																			
Dec-10	29,728,969	32,062,476																				
Mar-11	31,426,437																					

Historical Development Factors

Accident Qtr Ending	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66
Jun-05	1.034	0.994	0.991	1.002	1.008	1.007	0.998	1.005	1.006	1.000	0.999	1.004	0.998	1.004	0.999	0.999	1.000	0.994	1.000	0.998	1.000
Sep-05	1.025	1.010	0.990	1.013	1.001	1.002	0.997	1.001	1.007	0.998	0.998	0.999	0.998	1.000	0.999	1.000	0.999	1.000	0.999	1.000	1.000
Dec-05	1.039	0.996	1.002	0.995	1.008	0.995	0.998	1.003	1.010	1.000	1.003	0.996	1.000	0.996	0.998	1.000	1.001	1.000	1.000	1.000	1.000
Mar-06	1.020	1.012	1.009	1.018	0.999	1.000	0.996	1.014	0.998	0.992	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Jun-06	1.016	1.001	0.999	1.013	1.013	0.996	1.001	1.003	0.990	0.997	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	0.998		
Sep-06	1.036	1.012	1.014	0.998	1.003	1.004	0.999	0.999	0.992	1.000	0.995	1.005	1.000	1.002	0.999	0.984	1.000	1.000			
Dec-06	1.061	0.999	0.995	1.000	1.006	0.997	1.000	1.002	0.999	1.001	0.999	0.999	1.000	1.000	0.998	1.001	0.995				
Mar-07	1.062	1.019	1.000	1.009	1.008	0.996	0.997	0.990	1.004	1.001	1.000	0.996	1.002	0.996	1.000	0.998					
Jun-07	1.068	1.000	1.009	1.016	1.002	0.990	0.999	1.003	1.001	0.997	0.999	0.999	1.000	1.001	1.001						
Sep-07	1.055	1.003	1.003	0.996	0.987	0.997	1.001	1.028	1.003	1.000	1.004	0.998	0.998	0.999							
Dec-07	1.092	1.013	0.999	1.000	1.012	0.999	1.000	0.997	0.991	1.004	0.996	0.998	1.000								
Mar-08	1.091	0.998	0.998	1.015	0.998	1.002	0.998	1.002	1.003	1.000	1.000	1.000									
Jun-08	1.052	1.004	1.006	1.009	1.001	1.001	0.998	1.001	0.998	1.000	1.000										
Sep-08	1.060	1.000	0.997	1.020	1.002	0.999	1.000	1.006	1.000	0.996											
Dec-08	1.063	1.011	1.008	1.003	1.002	1.003	1.003	1.004	0.998												
Mar-09	1.074	1.010	1.011	1.012	1.006	0.994	1.001	0.999													
Jun-09	1.066	1.007	1.012	1.011	0.997	0.997	1.003														
Sep-09	1.054	1.012	0.999	1.002	1.005	0.997															
Dec-09	1.056	1.017	1.000	1.001	1.011																
Mar-10	1.072	1.023	1.006	1.008																	
Jun-10	1.057	1.004	1.007																		
Sep-10	1.032	1.013																			
Dec-10	1.078																				

Averages	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66	66 to Ult
4 Qtrs Average	1.060	1.014	1.003	1.006	1.005	0.998	1.002	1.003	1.000	1.000	1.000	0.999	1.000	0.999	1.000	0.996	0.999	1.000	0.999	1.000		
8 Qtrs Average	1.061	1.012	1.005	1.008	1.003	0.999	1.001	1.005	1.000	1.000	0.999	0.999	1.000	0.999	0.999	0.998	0.999					
12 Qtrs Average	1.063	1.009	1.004	1.008	1.003	0.998	1.000	1.003	0.998	0.999	1.000	1.000										
8 Qtrs Average ex H/L	1.063	1.012	1.005	1.008	1.002	0.999	1.001	1.003	1.001	1.000	0.999	0.999	1.000	0.999	0.999	1.000						
8 Qtrs Vol Weighted	1.060	1.012	1.005	1.008	1.003	0.999	1.001	1.005	1.000	1.000	0.999	1.000	1.000	0.999	0.999	0.998						
12 Qtrs Vol Weighted	1.062	1.009	1.004	1.008	1.002	0.998	1.000	1.003	0.998	0.999	0.999	1.000										
12 Qtr Avg ex H/L	1.065	1.009	1.004	1.008	1.003	0.998	1.000	1.002	0.998	0.999	1.000	0.999										

Selected Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51
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American Modern Home Insurance Company
Arkansas
Mobile Home Standard
All Classes

Exhibit 7

Page 1

Catastrophe Factor

Data shown is Arkansas American Modern Insurance Group - Mobile Home

Accident Year Ending	(1) Weather Losses*	(2) All Losses*	(3)=(2)-(1) All Losses* Less Weather	(4)=(1)/(3) Weather Ratio	(5) Capped Weather Ratio **	(6)=(4)-(5) Excess Spread to 50 Years
3/31/1992	436,223	2,341,514	1,905,291	0.229	0.229	0.000
3/31/1993	269,667	2,023,240	1,753,573	0.154	0.154	0.000
3/31/1994	425,863	1,762,322	1,336,458	0.319	0.319	0.000
3/31/1995	405,827	1,568,045	1,162,218	0.349	0.349	0.000
3/31/1996	703,060	2,689,669	1,986,609	0.354	0.354	0.000
3/31/1997	2,047,408	3,862,484	1,815,076	1.128	1.128	0.000
3/31/1998	506,374	2,805,818	2,299,443	0.220	0.220	0.000
3/31/1999	1,672,975	5,058,142	3,385,167	0.494	0.494	0.000
3/31/2000	723,079	3,713,637	2,990,558	0.242	0.242	0.000
3/31/2001	2,864,477	7,163,718	4,299,241	0.666	0.666	0.000
3/31/2002	1,565,518	7,711,207	6,145,689	0.255	0.255	0.000
3/31/2003	1,321,897	6,588,172	5,266,275	0.251	0.251	0.000
3/31/2004	2,392,601	7,462,575	5,069,974	0.472	0.472	0.000
3/31/2005	1,906,926	6,883,330	4,976,404	0.383	0.383	0.000
3/31/2006	2,783,717	8,065,200	5,281,484	0.527	0.527	0.000
3/31/2007	3,179,740	8,884,985	5,705,245	0.557	0.557	0.000
3/31/2008	4,703,939	10,577,323	5,873,383	0.801	0.801	0.000
3/31/2009	7,201,574	13,465,969	6,264,394	1.150	1.128	0.022
3/31/2010	6,156,121	12,746,552	6,590,431	0.934	0.934	0.000
3/31/2011	3,400,099	11,215,009	7,814,910	0.435	0.435	0.000

Weighted Average*** 0.544

Selected Catastrophe Factor: 0.544

* Losses shown are Undeveloped Accident Year Incurred Losses and ALAE.

*** Capped at 1.128 (2 standard deviations above the mean) with excess spread to 50 years.

Unallocated Loss Adjustment Expense

The ULAE Factor is calculated as a ratio to Incurred Loss and ALAE and is considered in the "loss" side of the indication.

Consolidated American Modern Insurance Group Data

Calendar Year	2008	2009	2010
ULAE Incurred	11,747,762	12,288,732	8,611,126
Adjusted Loss and ALAE Incurred	584,440,974	521,315,563	501,701,035
Ratio of ULAE to Incurred Loss & ALAE	2.0%	2.4%	1.7%
5 Year Average			3.0%
2 Year Average			2.0%
Selected ULAE Factor			1.015

Determination of Permissible Loss Ratio

	Calendar Year					Budget 2011	Selected
	2006	2007	2008	2009	2010		
(1) Pre-Paid Commissions	17.0%	17.0%	16.9%	16.9%	16.7%		16.7%
(2) Contingent Commissions	3.8%	3.1%	0.8%	1.3%	2.4%	1.4%	1.4%
(3) Other Acquisition Expense	5.1%	4.5%	4.4%	4.3%	4.1%	0.0%	4.2%
(4) General Expense	12.6%	12.0%	10.6%	10.3%	9.4%	0.0%	9.9%
(5) Taxes, Licenses and Fees	3.4%	3.4%	3.4%	2.7%	2.9%		3.0%
(6) Reinsurance Expense						0.0%	1.0%
(7) Total Expense							36.2%
Profit Loading Provision							
(8a) After Tax Return on Equity Goal						15.0%	
(8b) Target Premium to Surplus Ratio						2.3:1	
(8c) After Tax Return on Premium [(a)/(b)]						6.5%	
(8d) After Tax Return Generated by Inv Income						1.8%	
(8e) After Tax Return Needed From Underwriting Profit [(c) - (d)]						4.7%	
(8f) Before Tax Return Needed from Underwriting Profit [(e)/(1.00 - .35)]						7.3%	
(8g) Selected Profit Provision							7.5%
(9) Total Expenses and Profit Provision [(7) + (8)]							43.7%
(10) Permissible Loss & LAE Ratio [(1.000 - (9))]							56.3%

	Calendar Year				
	2006	2007	2008	2009	2010
Data applied to calculate commission ratio:					
AMH Arkansas Mobile Home Standard Written Premium	707784095.0%	733493409.0%	743743115.0%	779222052.0%	835656627.0%
AMH Arkansas Mobile Home Standard Paid Commission	120466652.0%	124909663.4%	126064421.0%	131626431.6%	139464595.1%

	Calendar Year				
	2006	2007	2008	2009	2010
Data applied to calculate Taxes, Licenses and Fees:					
AMH Arkansas Written Premium from all AS Lines	1140209392.0%	1227301422.0%	1333530471.0%	1472495342.3%	1545967638.0%
AMH Arkansas Taxes, Licenses and Fees from all AS Lines	38666527.0%	41605518.2%	45073329.9%	39021126.6%	44060077.7%

Investment Income Calculation

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve		
(1)	Direct Earned Premium for 2010	\$ 416,869,231
(2)	Mean Unearned Premium Reserve Ratio	55.5%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$ 231,531,114
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
(a)	Commission	18.1%
(b)	50% of Other Acquisition	2.1%
(c)	50% of General Expenses	5.0%
(d)	Taxes, Licenses, and Fees	3.0%
(e)	Reinsurance Expense	1.0%
(f)	Subtotal	29.2%
(g)	Federal Taxes Payable	7.0%
(4T)	Total Deductions	36.2%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$ 147,832,616
B. Delayed Remission of Premium (Agent's Balances)		
(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
(a)	Average Agent's Balance	\$ 138,852,695
(b)	Direct Unearned Premium 2010 (All Lines)	\$ 504,115,494
(c)	Ratio (a) / (b)	27.5%
(d)	Direct Unearned Premium 2010 (ASLOB 4 and 21.1 (for 2008 & prior))	\$ 241,174,711
(2)	Delayed Remission (1c) x (1d)	\$ 66,428,743
C. Loss and Loss Adjustment Expense Reserve		
(1)	Expected Loss and Loss Adjustment Expense Ratio	56.3%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$ 234,697,377
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a)	2010 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	26.6%
(b)	2009 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	23.0%
(c)	Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	24.8%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$ 55,736,534
D. Net Subject to Investment		\$ 137,140,408
(A.5) - (B.2) + (C.4)		
E. Before Tax Rate of Return		3.0%
[Exhibit 10, Page 2]		
F. Average Rate of Return as a % of Direct Earned Premium		1.0%
[(D) x (E)] / (A.1)		
G. Before Tax Investment Income Return (Including Surplus)		2.3%
(F) + [(E) x (1.0/Premium to Surplus Ratio)]		
H. After Tax Average Rate of Return as a Percent of Direct Earned Premium		
(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	22.4%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	1.8%

Investment Income Calculation

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2007 - 2009 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$52,645,718	48.7%	35.0%	17.1%
- Tax Exempt Municipal	\$35,457,449	32.8%	5.3%	1.7%
Stocks				
- Acquired Prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired After 1987	\$14,887,696	13.8%	14.2%	2.0%
Short Term Investments	\$5,016,889	4.6%	35.0%	1.6%
Total	\$108,007,752	100.0%		22.4%

Notes:

- (A) From AMIG Annual Statement, Part 1
 (B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2009 will be:

Ordinary Income =	35.0%
Tax Exempt Municipal - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
2007	4.6%
2008	4.4%
2009	2.6%
Twelve Year Average	4.5%
Latest Six Year Average	4.1%
Latest Year	2.6%
Projected 2010 (12 Year Trend)	3.7%
Projected 2010 (6 Year Trend)	3.3%

Selected 2010 Rate of Return

Before Tax	3.0% *
After Tax [(1-0.224) x 3%]	2.3%

* 3% selected based on change in investment philosophy due to the purchase of the American Modern Insurance Group by Munich Re. Specifically, Munich Re requires that investments for companies owned should not have "risk". This leads to a lower rate of return than we've seen in the past.

By Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for the captioned program written by the American Modern Insurance Group for the latest accident year.

Line A-2, A-3

The mean unearned premium reserve is determined by the average of the latest two years unearned premiums for the American Modern Insurance Group.

Line A-4

Deductions for prepaid expenses:

Production costs and a large portion of other company expenses connected with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on the above referenced company's data as shown in Exhibit 9.

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary due to the delay in collection and remission of premium to the company beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus, and are not available for investment.

Line B-1(c)

Average agent's balances as a percentage of 2010 Direct Unearned Premium (All Lines)

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing. See Exhibit 9.

Line C-3

Mean loss reserve are determined by averaging the reserves at the beginning and ending of the year in question, and dividing by that year's loss and loss adjustment expenses. This ratio is based on countrywide data for the American Modern Insurance Group countrywide data for the American Modern Insurance Group.

Line C-4

The expected mean loss reserve is determined by multiplying the expected incurred losses in Line C-2 by the average ratio of the mean loss & loss adjustment reserves to the incurred losses & loss adjustment expenses from Line C-4. Then an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves is added. The estimated reserve discount is 12% (based on all company data provided by the A.M. Best Company), the federal taxes payable (expressed as a % of reserves) is 4.2% ($.12 \times .35 = .042$), and the appropriate adjustment is .958 ($1.000 - .042 = .958$).

Line E

This rate of return in the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for the American Modern Insurance Group.

Line H-1

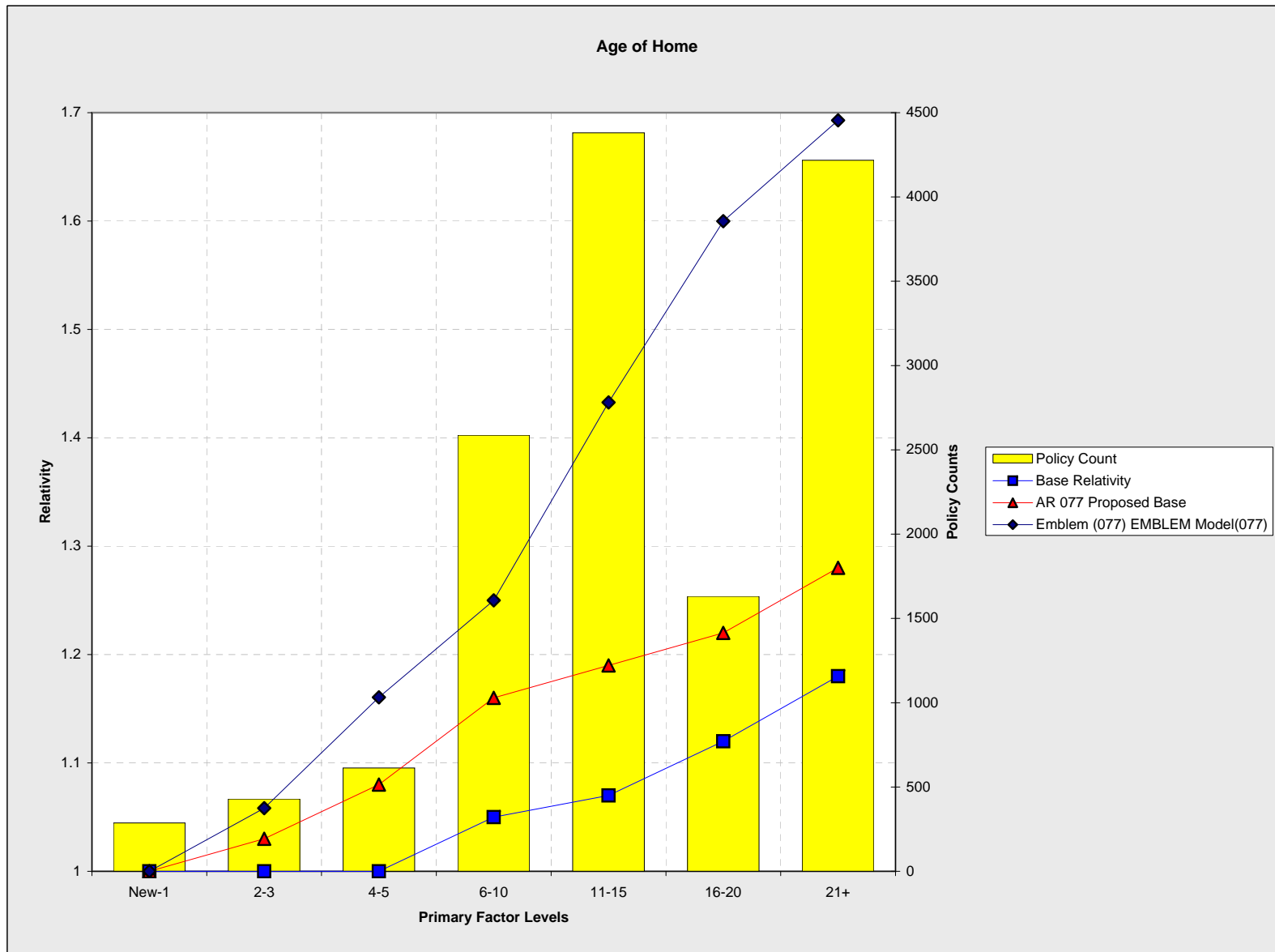
The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2008 - 2010 for the American Modern Insurance Group. See Page 2 of this exhibit.

Complement of Credibility Calculation

	All Classes	Mobile Home-Byline	Mobile Home- Package	Rental	Seasonal- Byline
(1) Permissible Loss & LAE Ratio	0.563	0.563	0.563	0.563	0.563
(2) Proposed Renewal Effective Date	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011
(3) Effective Date of Current Rates	9/1/2010	9/1/2010	9/1/2010	9/1/2010	9/1/2010
(4) Time Period in Years $\{[(2) - (3)] / 365\}^{**}$	1.000	1.000	1.000	1.000	1.000
(5) Annual Premium Trend	2.9%	3.6%	2.9%	5.0%	1.4%
(6) Annual Loss Trend	5.0%	5.0%	5.0%	5.0%	5.0%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)] - 1\}$	2.1%	1.4%	2.1%	0.0%	3.6%
(8) Selected Trend Factor $\{[1 + (7)] ^ (4)\}$	1.021	1.014	1.021	1.000	1.036
(9) Complement of Credibility = $\{(1) * (8)\}$	0.575	0.571	0.575	0.563	0.583

	Tenant
(1) Permissible Loss & LAE Ratio	0.563
(2) Proposed Renewal Effective Date	10/1/2011
(3) Effective Date of Current Rates	9/1/2010
(4) Time Period in Years $\{[(2) - (3)] / 365\}^{**}$	1.000
(5) Annual Premium Trend	2.9%
(6) Annual Loss Trend	5.0%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)] - 1\}$	2.1%
(8) Selected Trend Factor $\{[1 + (7)] ^ (4)\}$	1.021
(9) Complement of Credibility = $\{(1) * (8)\}$	0.575

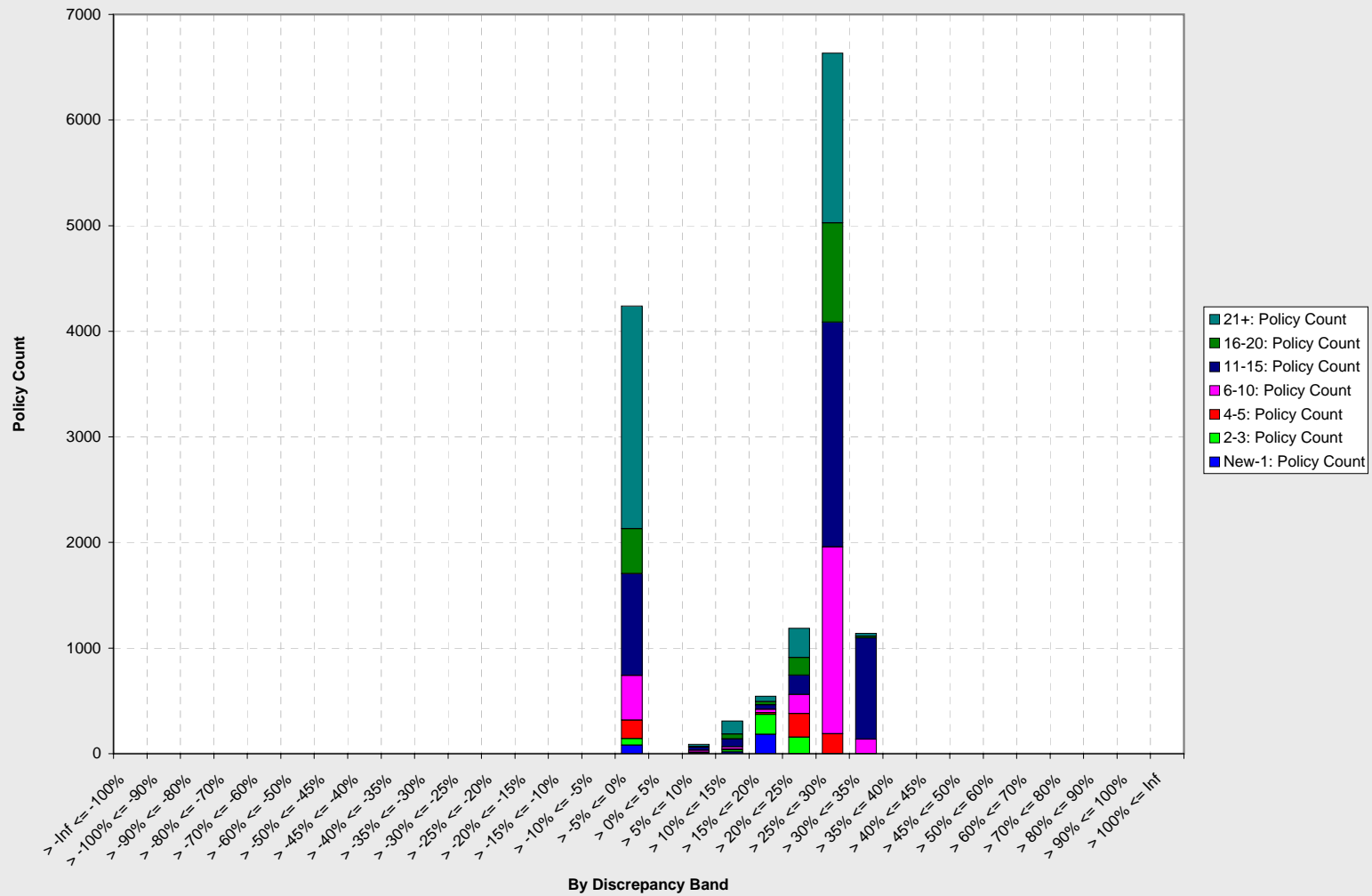
** Capped at a minimum of 0.5 and a maximum of 1 year(s)



	Base Relativity	AR 077 Proposed Base	Emblem (077) EMBLEM
New-1	1	1	1
2-3	1	1.03	1.058304
4-5	1	1.08	1.160583
6-10	1.05	1.16	1.25
11-15	1.07	1.19	1.432703
16-20	1.12	1.22	1.59984
21+	1.18	1.28	1.692919

	Policy Count
New-1	287
2-3	429
4-5	613
6-10	2587
11-15	4381
16-20	1631
21+	4218

Impact Analysis - Age of Home



	New-1: Policy Count	2-3: Policy Count	4-5: Policy Count	6-10: Policy Count	11-15: Policy Count	16-20: Policy Count	21+: Policy Count
> -Inf <= -100%	0	0	0	0	0	0	0
> -100% <= -90%	0	0	0	0	0	0	0
> -90% <= -80%	0	0	0	0	0	0	0
> -80% <= -70%	0	0	0	0	0	0	0
> -70% <= -60%	0	0	0	0	0	0	0
> -60% <= -50%	0	0	0	0	0	0	0
> -50% <= -45%	0	0	0	0	0	0	0
> -45% <= -40%	0	0	0	0	0	0	0
> -40% <= -35%	0	0	0	0	0	0	0
> -35% <= -30%	0	0	0	0	0	0	0
> -30% <= -25%	0	0	0	0	0	0	0
> -25% <= -20%	0	0	0	0	0	0	0
> -20% <= -15%	0	0	0	0	0	0	0
> -15% <= -10%	0	0	0	0	0	0	0
> -10% <= -5%	0	0	0	0	0	0	0
> -5% <= 0%	82	60	176	422	966	425	2109
> 0% <= 5%	0	1	0	0	0	0	0
> 5% <= 10%	4	5	5	18	30	5	23
> 10% <= 15%	17	19	6	23	76	44	126
> 15% <= 20%	184	188	15	34	41	32	49
> 20% <= 25%	0	156	223	181	183	167	279
> 25% <= 30%	0	0	188	1771	2128	940	1606
> 30% <= 35%	0	0	0	138	957	18	26
> 35% <= 40%	0	0	0	0	0	0	0
> 40% <= 45%	0	0	0	0	0	0	0
> 45% <= 50%	0	0	0	0	0	0	0
> 50% <= 60%	0	0	0	0	0	0	0
> 60% <= 70%	0	0	0	0	0	0	0
> 70% <= 80%	0	0	0	0	0	0	0
> 80% <= 90%	0	0	0	0	0	0	0
> 90% <= 100%	0	0	0	0	0	0	0
> 100% <= Inf	0	0	0	0	0	0	0

SERFF Tracking Number: AMMH-127293926 State: Arkansas

Filing Company: American Modern Home Insurance Company State Tracking Number:

Company Tracking Number: 20110214-09

TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners

Product Name: AMH Manufactured Home Program

Project Name/Number: /20110214-09

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
06/27/2011	Rate and Rule	Manual pages	07/01/2011	BR-1.pdf (Superceded) PR-1.pdf (Superceded)
06/28/2011	Supporting Document	NAIC loss cost data entry document	07/01/2011	_077_F319AR_NAIC Loss Cost Data Entry Doc_corr_.pdf (Superceded)
06/27/2011	Supporting Document	NAIC loss cost data entry document	06/28/2011	AR AMH_NAIC Loss Cost Data Entry Doc.pdf (Superceded)

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER AND SEASONAL BYLINE RATES

Comprehensive Excluding Flood and Earthquake (212/222)

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
212	\$335.00	\$5,000	\$1,000	JL	1.00
222	\$289.67	\$5,000	\$1,000	JL	1.00

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
Protected	1.00
Unprotected	1.24

Protected: Located within 5 road miles of a responding fire department.

Unprotected: Not otherwise qualifying as protected.

Age of Insured	Factor
18 - 34	1.12
35 - 49	1.05
50 - 64	0.98
65 +	0.93

Age of Home	Factor
New - 1	1.00
2 - 3	1.00
4 - 5	1.00
6 - 10	1.05
11 - 15	1.07
16 - 20	1.12
21 +	1.18

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Excluding Flood and Excluding Earthquake (042)

Internal Limits for the Package		
Other Structures	Personal Property	Personal Liability
10%	50%	\$50,000

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
042	\$477.00	\$7,000	\$1,000	JL	1.00

OWNER PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
Protected	1.00
Unprotected	1.24

Protected: Located within 5 road miles of a responding fire department.

Unprotected: Not otherwise qualifying as protected.

Age of Insured	Factor
18 - 34	1.12
35 - 49	1.05
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Age of Home	Factor
New - 1	1.00
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4 - 5	1.08
6 - 10	1.16
11 - 15	1.19
16 - 20	1.22
21 +	1.28

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20110214-09
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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		Company Name	Company NAIC Number	
3.	A.	American Modern Home Insurance Company	B.	361-23469

		Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	Homeowners	B.	Mobile Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (n/a)				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	25.4	25.04					
10111	10.5	8.77					
10301	-0.9	0					
10511	0.2	0					
10201	51.3	0					
TOTAL OVERALL EFFECT	23.8	20.07					

6.

6.	5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2010	13795	1.9%	9/1/2010	8093	4952	61.2%	45.2%
2009	13972	10.4%	6/1/2009	7553	5863	77.6%	52.2%
2008	13964	-2.1%	3/15/2008	7424	6097	82.1%	52.7%
2007	14031	3.6%	9/1/2007	7205	2731	37.9%	36.2%
2006	14155			7073	3488	49.3%	40.2%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	22.3%
B. General Expense	9.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	7.5%
E. Other (Reinsurance)	1.0%
F. TOTAL	43.7%

8.	<u>n/a</u>	Apply Lost Cost Factors to Future filings? (Y or N)
9.	<u>33.91</u>	Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10.	<u>0.00</u>	Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20110214-09
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number	
3.	A. American Modern Home Insurance Company	B.	361-23469

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. Homeowners	B.	Mobile Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
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10101	25.8	25.04					
10111	10.7	8.77					
10301	-0.9	0					
10511	0.4	0					
10201	51.5	0					
TOTAL OVERALL EFFECT	24.2	20.07					

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2010	13795	1.9%	9/1/2010	8093	4952	61.2%	45.2%
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7.

Expense Constants	Selected Provisions
A. Total Production Expense	22.3%
B. General Expense	9.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	7.5%
E. Other (Reinsurance)	1.0%
F. TOTAL	43.7%

8. n/a Apply Lost Cost Factors to Future filings? (Y or N)

9. 33.91 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

10. 0.00 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

PC RLC